

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Market-Dominant Price Change

Docket No. R2023-1

CHAIRMAN'S INFORMATION REQUEST NO. 4  
AND NOTICE OF FILING UNDER SEAL

(Issued October 24, 2022)

To clarify the basis of information provided by the Postal Service in its Notice of Market Dominant Price Change, filed October 7, 2022,<sup>1</sup> the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than October 28, 2022.

**First-Class Mail**

1. Please see Attachment, filed under seal.

**USPS Marketing Mail**

2. Please refer to Library Reference USPS-LR-R2023-1/2, October 7, 2022, Excel files "Emerging Tech at 4 Percent Discount R2023-1.xlsx," tab "2022 3% Tier," "Emerging Tech at 3 Percent Discount R2023-1.xlsx," tab "2022 2% Tier," and "Mobile Shopping R2023-1.xlsx," tab "Mobile Shopping Delivery." The Postal Service provides a note stating "[i]n CY2023, the Emerging Tech and Mobile shopping promotions will be [combined] and offered from May 1st to November

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<sup>1</sup> United States Postal Service Notice of Market-Dominant Price Change, October 7, 2022 (Notice).

30th 2023, USPS uses 2 months Emerging Tech volume data and 5 months [Mobile] Shopping Data” in cells F8, F8, and G8, respectively.

- a. Please explain the rationale for this adjustment. In the response, please specifically describe how the Postal Service determined the total number of months of data to use in the adjustment across the two promotions.
  - b. Please also explain in detail the reasons for the selected mix between the two promotions (*i.e.*, that 2 of the 7 months are Emerging Tech volume and 5 of the 7 months are Mobile Shopping volume).
3. Please refer to Library Reference USPS-LR-R2023-1/2, Excel file “EarnedValue R2023-1.xlsx.”
  - a. Please confirm the promotion pieces in tab “MM Earned Value Current” are correct.
  - b. Please also confirm that despite products other than USPS Marketing Mail Letters being eligible for the promotion, no other products had qualifying Earned Value Reply Mail promotional volume.
  - c. If either part a. or b. is not confirmed, please provide a revised version of Excel file “EarnedValue R2023-1.xlsx” and any other supporting document as needed.

## Periodicals

4. Please refer to the response to Chairman’s Information Request No. 1, question 9.d. and Excel file “USPS-CAPCAL-PER-R2023-1.xlsx.”<sup>2</sup>

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<sup>2</sup> Responses of the United States Postal Service to Chairman’s Information Request No. 1, October 20, 2022 (Response to CHIR No. 1).

- a. Please confirm that the price change described in the Response to CHIR No. 1, question 9.d. necessitates a change to Attachment A to the Notice. See Notice, Attachment A at 100. If not confirmed, please explain.
- b. If part a. is confirmed, please provide any changes needed to be made to Attachment A to the Notice in legislative format.

For the following questions, please refer to the Response to CHIR No. 1, question 6 and 39 C.F.R. § 3030.128(a) and (e). 39 C.F.R. § 3030.128(a) states that “[f]or the purpose of calculating the percentage change in rates, the current rate is the rate in effect at the time of the rate adjustment filing under [39 C.F.R.] § 3030.121” unless an exception in 39 C.F.R. § 3030.128(a)(1) or (2) applies. 39 C.F.R. § 3030.128(a). The Postal Service filed its notice of rate adjustment pursuant to 39 C.F.R. § 3030.121 on October 7, 2022. See *generally* Notice.

5. Please refer to the Response to CHIR No. 1, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments,” cell D68, where the Postal Service lists the current price for an area distribution center (ADC) bundle containing flats or letter-shaped pieces in an ADC Sack as \$0.727.
  - a. Please confirm the rate in effect on October 7, 2022 for an ADC bundle containing flats or letter-shaped pieces in an ADC Sack was \$0.435. If not confirmed, please identify the rate for an ADC bundle containing flats or letter-shaped pieces in an ADC Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
  - b. Please confirm that the rate for an ADC bundle containing flats or letter-shaped pieces in an ADC Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
  - c. Please confirm that the rate for an ADC bundle containing flats or letter-shaped pieces in an ADC Sack does not correspond to a rate incentive

that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.

6. Please refer to the Response to CHIR No. 1, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments,” cell D69, where the Postal Service lists the current price for a 3-Digit/sectional center facility (SCF) bundle containing flats or letter-shaped pieces in an ADC Sack as \$0.847.
  - a. Please confirm the rate in effect on October 7, 2022 for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in an ADC Sack was \$0.546. If not confirmed, please identify the rate for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in an ADC Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
  - b. Please confirm that the rate for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in an ADC Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
  - c. Please confirm that the rate for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in an ADC Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.
7. Please refer to the Response to CHIR No. 1, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments,” cell D70, where the Postal Service lists the current price for a 5-Digit bundle containing flats or letter-shaped pieces in an ADC Sack as \$0.893.

- a. Please confirm the rate in effect on October 7, 2022 for a 5-Digit bundle containing flats or letter-shaped pieces in an ADC Sack was \$0.597. If not confirmed, please identify the rate for a 5-Digit bundle containing flats or letter-shaped pieces in an ADC Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
  - b. Please confirm that the rate for a 5-Digit bundle containing flats or letter-shaped pieces in an ADC Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
  - c. Please confirm that the rate for a 5-Digit bundle containing flats or letter-shaped pieces in an ADC Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.
8. Please refer to the Response to CHIR No. 1, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments,” cell D71, where the Postal Service lists the current price for a Carrier Route bundle containing flats or letter-shaped pieces in an ADC Sack as \$1.201.
  - a. Please confirm the rate in effect on October 7, 2022 for a Carrier Route bundle containing flats or letter-shaped pieces in an ADC Sack was \$0.927. If not confirmed, please identify the rate for a Carrier Route bundle containing flats or letter-shaped pieces in an ADC Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
  - b. Please confirm that the rate for a Carrier Route bundle containing flats or letter-shaped pieces in an ADC Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and

identify the time period(s) when the rate was seasonally or temporarily in effect.

- c. Please confirm that the rate for a Carrier Route bundle containing flats or letter-shaped pieces in an ADC Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.
9. Please refer to the Response to CHIR No. 1, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments,” cell D72, where the Postal Service lists the current price for a Firm bundle containing flats or letter-shaped pieces in an ADC Sack as \$0.681.
- a. Please confirm the rate in effect on October 7, 2022 for a Firm bundle containing flats or letter-shaped pieces in an ADC Sack was \$0.476. If not confirmed, please identify the rate for a Firm bundle containing flats or letter-shaped pieces in an ADC Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
  - b. Please confirm that the rate for a Firm bundle containing flats or letter-shaped pieces in an ADC Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
  - c. Please confirm that the rate for a Firm bundle containing flats or letter-shaped pieces in an ADC Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.

10. Please refer to the Response to CHIR No. 1, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments,” cell D79, where the Postal Service lists the current price for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack as \$0.847.
  - a. Please confirm the rate in effect on October 7, 2022 for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack was \$0.410. If not confirmed, please identify the rate for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
  - b. Please confirm that the rate for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
  - c. Please confirm that the rate for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.
11. Please refer to the Response to CHIR No. 1, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments,” cell D80, where the Postal Service lists the current price for a 5-Digit bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack as \$0.893.
  - a. Please confirm the rate in effect on October 7, 2022 for a 5-Digit bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack was \$0.467. If not confirmed, please identify the rate for a 5-Digit bundle containing

- flats or letter-shaped pieces in a 3-Digit/SCF Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
- b. Please confirm that the rate for a 5-Digit bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
  - c. Please confirm that the rate for a 5-Digit bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.
12. Please refer to the Response to CHIR No. 1, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments,” cell D81, where the Postal Service lists the current price for a Carrier Route bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack as \$1.201.
- a. Please confirm the rate in effect on October 7, 2022 for a Carrier Route bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack was \$0.687. If not confirmed, please identify the rate for a Carrier Route bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
  - b. Please confirm that the rate for a Carrier Route bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain



and identify the time period(s) when the rate was seasonally or temporarily in effect.

- c. Please confirm that the rate for a Carrier Route bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.
13. Please refer to the Response to CHIR No. 1, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments,” cell D82, where the Postal Service lists the current price for a Firm bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack as \$0.681.
- a. Please confirm the rate in effect on October 7, 2022 for a Firm bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack was \$0.428. If not confirmed, please identify the rate for a Firm bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
  - b. Please confirm that the rate for a Firm bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
  - c. Please confirm that the rate for a Firm bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not

confirmed, please explain and identify the rate incentive to which the rate corresponds.

14. Please refer to the Response to CHIR No. 1, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments,” cell D88, where the Postal Service lists the current price for a 5-Digit bundle containing flats or letter-shaped pieces in a 5-Digit Sack as \$0.893.
  - a. Please confirm the rate in effect on October 7, 2022 for a 5-Digit bundle containing flats or letter-shaped pieces in a 5-Digit Sack was \$0.395. If not confirmed, please identify the rate for a 5-Digit bundle containing flats or letter-shaped pieces in a 5-Digit Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
  - b. Please confirm that the rate for a 5-Digit bundle containing flats or letter-shaped pieces in a 5-Digit Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
  - c. Please confirm that the rate for a 5-Digit bundle containing flats or letter-shaped pieces in a 5-Digit Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.
15. Please refer to the Response to CHIR No. 1, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments,” cell D89, where the Postal Service lists the current price for a Carrier Route bundle containing flats or letter-shaped pieces in a 5-Digit Sack as \$1.201.
  - a. Please confirm the rate in effect on October 7, 2022 for a Carrier Route bundle containing flats or letter-shaped pieces in a 5-Digit Sack was \$0.191. If not confirmed, please identify the rate for a Carrier Route

- bundle containing flats or letter-shaped pieces in a 5-Digit Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
- b. Please confirm that the rate for a Carrier Route bundle containing flats or letter-shaped pieces in a 5-Digit Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
  - c. Please confirm that the rate for a Carrier Route bundle containing flats or letter-shaped pieces in a 5-Digit Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.
16. Please refer to the Response to CHIR No. 1, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments,” cell D90, where the Postal Service lists the current price for a Firm bundle containing flats or letter-shaped pieces in a 5-Digit Sack as \$0.681.
- a. Please confirm the rate in effect on October 7, 2022 for a Firm bundle containing letters or flats in a 5-Digit Sack was \$0.165. If not confirmed, please identify the rate for a Firm bundle containing flats or letter-shaped pieces in a 5-Digit Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
  - b. Please confirm that the rate for a Firm bundle containing flats or letter-shaped pieces in a 5-Digit Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.

- c. Please confirm that the rate for a Firm bundle containing flats or letter-shaped pieces in a 5-Digit Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.
17. Please confirm that using the rates in effect on October 7, 2022 for the current rates in the percentage change in rates formula results in an average rate increase of 4.579 percent for Periodicals and that this exceeds the available 4.200 percent rate authority for Periodicals. If not confirmed, please explain.

By the Chairman.

Michael Kubayanda